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## Virginia Housing Commission

### Proffer and Impact Fee Work Group

June 10, 2019, at 10:00 a.m.

Pocahontas Building, Senate Subcommittee Room 3

<http://dls.virginia.gov/commissions/vhc.htm>

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The Virginia Housing Commission's Proffer and Impact Fee Work Group (the Work Group) met in Richmond with Senator William M. Stanley, Jr., chair, presiding.<sup>1</sup> The meeting began with introductions and opening remarks followed by presentations and discussion. Materials presented at the meeting are accessible through the [Commission's website](#).

### Virginia Coalition of High Growth Communities: Survey Results

*John McGlennon, Chair*

John McGlennon, chair of the Virginia Coalition of High Growth Communities (the Coalition), presented a preliminary report on a survey conducted by the Coalition regarding proffers and impact fees. Twenty-four of Virginia's 40 high growth communities responded to the survey. Mr. McGlennon highlighted certain results to guide the Work Group's roundtable discussion:

- Sixty percent of responding localities collect cash proffers, indicating a need for legislation that differentiates cash proffers from other proffers.
- Localities responded that they want to set their own impact fees. Legislation would need to define terminology and a method for calculating this.
- Results indicated a need for uniformity across localities and clearer communication between planning departments and developers.

### Discussion: Implementation of Proffers and Impact Fees

Work Group members representing Albemarle County, Loudoun County, and Goochland County addressed each locality's implementation of proffers, impact fees, or both to create planned growth. Each was asked to (i) present on the effect of 2016 legislation (§ 15.2-2303.4 of the Code of Virginia) on the locality and the locality's granting of rezoning for development and (ii) recommend an ideal growth tool to be sanctioned by the General Assembly. Summaries of their presentations follow.

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<sup>1</sup> **Members Present:** Senator William M. Stanley, Jr., Delegate Betsy B. Carr, Philip Abraham, Claudia Arko, Carson Bise, Pat Carroll, Andrew Clark, Mary Ann Curtin, Chip Dicks, Jeffery Gore, Michelle Gowdy, George Homewood, Eldon James, Martin Johnson, Greg Kamptner, Gwen Kennedy, Adam Kingsman, Joe Lerch, John McGlennon, Elizabeth Rafferty, Christopher Sigler, Sarah Taylor, David Westcott, Charles Yudd

## **Albemarle County**

*Greg Kamptner, Albemarle County Attorney*

Growth has occurred at a steady rate in Albemarle County with an increase of 15,000 units per year since 1960, and the County has used both proffers and impact fees. In determining what constitutes a reasonable proffer, the locality has a concern about the term "specifically attributable" and would like further clarification in the law. Albemarle County is reluctant to proactively rezone without using an impact fee but recommends careful implementation of impact fees. A simplified proffer system would lead to less frustration by developers and county officials, and their desire would be for impact fees to be imposed on all residential developments, not just those that are being rezoned.

## **Loudoun County**

*Charles Yudd, Deputy County Administrator*

Loudoun County has challenges dealing with growth because the county's population has increased by 30 percent since 2010. There is a great need for capital infrastructure to support the mostly by-right growth in development to accommodate the population surge. Eastern Loudoun County has high growth and calculable impacts for capital improvement. This differs from the western portion of the county; however, the jurisdiction needs to provide services in each area. Proffers as allowed by law are done on a per-unit basis. Loudoun County emphatically does not want to replace proffers with impact fees.

## **Goochland County**

*Tara McGee, Goochland County Attorney*

Goochland County uses a cash proffer per unit based on the need for public facilities. Goochland County is not in favor of the method prescribed by the 2016 legislation for calculating public facility capacity, particularly concerning schools. The county would like to have capacity removed from the law entirely and to have definitions revised to allow for the inclusion of capital costs without the requirement that such costs relate to new construction.

## **Work Plan**

Developers, residential and commercial realtors, and planners will present to the Work Group at the next meeting in order to have all parties' perspectives represented.

A determination will be made by fall as to whether the Work Group wishes to submit legislation on proffers and impact fees to the full Virginia Housing Commission.

## **Next Meeting**

Elizabeth Palen, Director of the Virginia Housing Commission, asked all parties present to submit their legislative goals, in bullet point form, prior to the next meeting.

The next meeting will be held July 8, 2019, at 10:00 a.m. in Senate Subcommittee Room 1 on the fifth floor of the Pocahontas Building.



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For more information, see the [\*Commission's website\*](#) or contact the Division of Legislative Services staff:

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